



Auditor of Public Accounts
Adam H. Edelen

FOR IMMEDIATE RELEASE

Contact: Stephenie Steitzer
stephenie.steitzer@auditor.ky.gov
502.564.5841
513.289.7667

Edelen Releases Audit of Montgomery County Sheriff's Tax Settlement

FRANKFORT, Ky. – State Auditor Adam Edelen today released the audit of the sheriff's settlement – 2011 taxes for Montgomery County Sheriff Fred Shortridge. State law requires the auditor to annually audit the accounts of each county sheriff. In compliance with this law, the auditor issues two sheriff's reports each year: one reporting on the audit of the sheriff's tax account and the other reporting on the audit of the fee account used to operate the office.

The audit found that the sheriff's financial statement fairly presents the taxes charged, credited and paid, for the period April 16, 2011 through April 16, 2012, in conformity with the modified cash basis of accounting.

As part of the audit process, the auditor must comment on non-compliance with laws, regulations, contracts and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comment:

The Sheriff's office lacks adequate segregation of duties. The Sheriff's office has a lack of segregation of duties because the employees that collect taxes also prepare the daily checkout sheets and make deposits. Also, the bookkeeper prepares all monthly reports, prepares checks, and reconciles the bank account. Good internal controls dictate the same employee should not handle and record receipts and disbursements. We recommend the Sheriff segregate these duties or put the following compensating controls in place to offset this significant deficiency:

- An independent person should periodically compare the daily bank deposit to the daily checkout sheet and then compare the daily checkout sheet to the receipts ledger. Any differences should be reconciled. This individual could document this by initialing the bank deposit, daily checkout sheet and receipts ledger.

- An independent person should compare the monthly financial report to the receipts and disbursements ledgers for accuracy. Any difference should be reconciled. This individual could document this by initialing the monthly financial reports.
- An independent person should compare the monthly bank reconciliation to the balance in the checkbook. Any differences should be reconciled. This individual could document this by initialing the bank reconciliation and the balance in the checkbook.

Sheriff's response: Ok.

The sheriff's responsibilities include collecting property taxes, providing law enforcement and performing services for the county fiscal court and courts of justice. The sheriff's office is funded through statutory commissions and fees collected in conjunction with these duties.

The audit report can be found on the [auditor's website](#).

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The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

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